
DIGEST

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Greene

HB No. 189

Abstract: Provides for the effectiveness of the state sales and use tax exemption for the sale of meals furnished to the staff and students of educational institutions and other institutions and organizations.

Present law provides for a state sales and use tax exemption for the sale of meals furnished to the staff and students of educational institutions including kindergartens; the staff and patients of hospitals; the staff, inmates, and patients of mental institutions; and boarders of rooming houses, and occasional meals furnished in connection with or by educational, religious, or medical organizations, from the state sales and use taxes if the meals are consumed on the premises where purchased.

Proposed law retains present law but adds that the state sales and use tax exemption shall also apply to meals purchased in advance by students, faculty, and staff pursuant to meal plans sponsored by the institution or organization or purchased in advance pursuant to other payment arrangement sanctioned by the institution or organization and generally available to students, faculty, and staff, regardless of where the meals are consumed.

Present law suspends the effectiveness of the exemption on these items as to 3% of the state sales and use tax until June 30, 2009. Further provides for the permanent suspension of this exemption as to an additional 1% of the state sales and use taxes.

Proposed law provides that notwithstanding any provision enacted during the 2004 1st E.S., the exemption as to 3% of the state sales and use tax shall be applicable, operative, and effective beginning July 1, 2004, through July 1, 2009. Further provides that notwithstanding any provision enacted during the 2002 R.S., the exemption as to 1% of the state sales and use tax shall not be subject to the permanent suspension for all taxable periods beginning on and after July 1, 2002.

The provisions of this Act shall be retroactive; however, correctly computed taxes not paid under protest with suit filed for their recovery shall not be refunded.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:305(D)(2); Adds R.S. 47:302(R)(3), 321(H)(3), and 331(P)(4))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Adds provision that the sales tax exemption shall also apply to meals purchased in advance by students, faculty, and staff pursuant to meal plans sponsored by the institution or organization or purchased in advance pursuant to other payment arrangement and generally available to students, faculty, and staff, regardless of where the meals are consumed.
2. Adds provision that the Act shall be retroactive; however, correctly computed taxes not paid under protest shall not be refunded.